

TO: Personnel Board

FROM: Emaan Abdel-Halim, Human Resources

DATE: 8 October 2019

SUBJECT: Real Estate Development Specialist series – Economic Development Division

Economic Development Division Director Matt Mikolajewski and the Real Estate Supervisor Matt Wachter are requesting a creation of a new classification series of Real Estate Development Specialist 1-4 within the Office of Real Estate Services. The request also includes looking at the current classifications and incumbents of Real Estate Development Specialist (CG18, R12, position #3585, J. Gromacki incumbent), Community Development Project Manager (CG18, R12, position #3978, D. Rolfs incumbent), and position #698 of Real Estate Specialist 3 (CG18, R10, pos. #698, C. Koval incumbent), to determine whether they would be more appropriately placed in the new classification series, and at what level. After conversations with Mr. Wachter and the incumbents, and review of the position descriptions and recommended classification series, I recommend the following for the reasons outlined in this memo:

- Delete the classifications of Real Estate Development Specialist and Community Development Project Manager in CG18, Range 12, and
- Create new classifications of Real Estate Development Specialist 1-4, in CG 18, Ranges 6, 8, 10, and 12 respectively.
- Recreate positions #3585 and #3978 into the new classification of Real Estate Development Specialist 4; and reallocate the incumbents, Joe Gromacki and Dan Rolfs respectively, to the new positions.
- Recreate position #698 into the new classification of Real Estate Development Specialist 3, and reallocate the incumbent, Christine Koval, to the new position.
- Recreate position #4390 of Housing Initiatives Specialist into the new classification of Real Estate Development Specialist 4 within the CDA Redevelopment Operating Budget, and post an open and competitive recruitment to fill the new position.

Because my recommendations involve moving people into new classifications but within their current salary ranges, there is no fiscal impact to the recommendation, except for the increase in range for the Housing Initiatives Specialist position.

The Economic Development Division's Office of Real Estate Services is comprised of two sections. One section completes the necessary real estate work and financial negotiations needed for public and private projects. This section includes the Division's Real Estate Specialist 1-4 series. The second section focuses on the City's real estate development needs through TIF (tax incremental funding), large community projects and City owned commercial properties. Under the direction of the Real Estate Supervisor, there are three positions that work within distinct programmatic areas of real estate development. One position is classified as a Real Estate Development Specialist and is responsible for administering the City's TIF program. One position primarily focuses on large community redevelopment projects, and is classified as a Community

Development Project Manager. The third position is currently classified as a Real Estate Specialist 3, but primarily focuses on commercial property and serves as an asset manager for the Division. The work of this position is different from the others classified in the Real Estate Specialist series. The request of the managers is to create a single classification series for the entirety of the work focused on real estate development efforts for the City of Madison. The recommendation is to create a classification series of Real Estate Development Specialist 1-4 to mirror the Real Estate Specialist 1-4 series for organizational consistency and to offer growth opportunities within these positions.

Here is a review of the levels for the proposed new classification specification of Real Estate Development Specialist 1-4 series:

Real Estate Development Specialist 1

... **entry-level professional financial analysis and project management work in the real estate field**, including responsibility for the **planning, coordination and implementation of economic development projects**, and the **review and analysis of public financing projects and instruments**. The work is characterized by developing **independent judgment and discretion in real estate development activities**, including coordination with various ad-hoc inter/intra-departmental project teams. Work is performed under the limited supervision of the Real Estate Supervisor **and/or the oversight of higher level Real Estate Development Specialists**. [emphasis added]

Real Estate Development Specialist 2

... **journey-level professional** financial analysis and project management work in the real estate field, including responsibility for the **planning, coordination and implementation of economic development projects**, and/or the City's Tax Incremental Financing (TIF) Program, and the review and analysis of public financing projects and instruments. The work is characterized by more **developed independent judgment and discretion in the full range of real estate development activities** and places emphasis on the more complex and discretionary elements of professional real estate development, including **routine project management**, and coordination with various ad-hoc inter/intra-departmental project teams. Work is performed under the general supervision of the Real Estate Supervisor **and/or the oversight of higher level Real Estate Development Specialists**. [emphasis added]

Real Estate Development Specialist 3

... **advanced-level professional** financial analysis and project management work in the real estate field, including responsibility for the planning, coordination and implementation of economic development projects, and/or the City's Tax Incremental Financing (TIF) Program, and the review and analysis of public financing projects and instruments. The work is characterized by **considerable independent judgment and discretion** in the full range of real estate development activities and places emphasis on the **more complex and discretionary elements** of professional real estate development, including **ongoing independent project management**, and coordination with various ad-hoc inter/intra-departmental project teams. Work is performed under the general supervision of the Real Estate Supervisor. [emphasis added]

Real Estate Development Specialist 4

... **advanced-level professional** financial analysis and project management work in the real estate field, including responsibility for the planning, coordination and implementation of economic development projects, and/or the City's Tax Incremental Financing (TIF) Program, and may **incorporate long-term complex projects**. The work is characterized by **considerable independent judgment and discretion** in the full range of real estate development activities and places emphasis on the more complex and discretionary elements of professional real estate development, including ongoing project management, **policy and program development**, and

coordination with **and/or leadership of** various ad-hoc inter/intra-departmental project teams. Work is performed under the general supervision of the Real Estate Supervisor. [emphasis added]

The intention with the series would be to allow the Economic Development Division the flexibility to hire at various levels according to the needs of the Division. While the TIF Coordinator position may require hiring at a level 3 or 4 due to the specialized nature of the work, other positions may be hired at a 1 or a 2 and allow for more employee development over time. In any case, the minimum qualifications are similar, in that an applicant would need a degree in Economics, Business, Finance, Urban Planning, Real Estate, or related field, and then possibly directly related experience for the position, depending on the level.

With this in mind, it is now appropriate to discuss the individual incumbents and their placement within this classification scheme.

Mr. Joe Gromacki currently holds the Real Estate Development Specialist position, with a working title of TIF Coordinator. Mr. Gromacki began working on the TIF program in 1999, developed the City's program and staffs review boards and committees. His responsibilities encompass the creation and closure of TIF districts and reviewing TIF requests, which require a high level of financial analysis and understanding of real estate market trends. As the City's TIF Coordinator, the position is responsible for the policy and program development for the allocation of public funding assistance for a variety of real estate development projects. As a result, there is a high degree of discretion and judgement used in the analysis of these complex projects and making recommendations on TIF funding requests based on a thorough fiscal analysis and review. Given this high level of programmatic authority, I recommend this position be re-created at the highest level of the new classification, Real Estate Development Specialist 4 in the same comp group and range as his current position, and the incumbent reallocated to the new position.

Mr. Dan Rolfs started work as the Community Development Project Manager in 2005. This is a position that primarily focuses on leading complex and large neighborhood development projects, which involve a variety of stakeholders, interagency coordination, and multi-year project plans. This work involve very large-scale redevelopment projects, which can span several years from planning and coordination, to various phases of construction and implementation. As the project manager for these community and neighborhood economic development projects, Mr. Rolfs is responsible for a full range of development activities of several projects at a given time; all requiring high degree of initiative and independent judgement and discretion. Additionally, Mr. Rolfs serves in a backup capacity for processing TIF funding request, which can vary in volume from year to year. Lastly, since this is a real estate position in the Economic Development Division the title of Real Estate Development Specialist 4 more accurately reflects the nature and duties of the position. Given this, I recommend this position be re-created at the highest level of the new classification, Real Estate Development Specialist 4 in the same comp group and range as his current position, and the incumbent reallocated to the new position.

Ms. Christine Koval started working at the City of Madison in 2015 as a Real Estate Agent 3 (recently retitled Real Estate Specialist 3). Ms. Koval is primarily responsible for the property and asset management for the City-owned commercial properties, such as the Village on Park. With her background in private sector commercial asset management, Ms. Koval is responsible

for commercial lease negotiations for city owned properties, as well as coordinating city agencies leasing commercial spaces. A majority of Ms. Koval's time oversees the property management at Village on Park, a mixed-use CDA owned property. This work requires considerable independent judgement with lease term negotiations, financial analysis, request for proposal (RFP) processes and coordination of purchase of service (POS) contracts. Additionally, these complex real estate projects involve multiple layers of funding sources and lease terms due to the properties' mixed-use nature from condominiums and neighborhood center and libraries, to government and non-profit agencies and commercial retail spaces. Since Ms. Koval's duties focuses on complex commercial real estate financial analysis, her work varies significantly from the other Real Estate Specialists. Ms. Koval's work involves complex financial analysis for commercial property leases and deal negotiations, which often requires interagency coordination, and project teams of multiple stakeholders. Placement at the level 3 of the series is appropriate at this time, consistent with her current level. However, this also presents growth opportunity in the areas of policy and program development and leadership of the various project teams and public engagement processes.

Finally, there is an accompanying request to recreate CDA Redevelopment's Housing Initiatives Specialist (position #4390) into the Real Estate Development Specialist series. Due to organizational changes in the Department of Planning and Community and Economic Development (DPCED), the positions of the CDA Executive Director and the Housing Initiatives Specialist have remained vacant since 2017. Now with affordable housing as a major mayoral initiative, the need to fill the Housing Initiatives Specialist position is imperative. However, the position currently has no supervisor as the CDA Executive Director responsibilities now fall with the DPCED Director. This proposal will transfer supervision of this position to the Real Estate Supervisor; however the position will remain in the CDA Redevelopment operating budget with the work charged to the CDA. The work of the Housing Initiatives Specialist will focus primarily on the CDA real estate redevelopment portfolio, which is similar to the work and skills required in the Real Estate Development Specialist series. Additionally, this position would lead the affordable housing redevelopment efforts for CDA properties with interdepartmental coordination with CDA Housing Operations staff. This work requires strict adherence to the federal HUD regulations and specific guidance for real estate property redevelopment, and may often require extensive interagency coordination of key stakeholders. This work is most similar to the work performed by Mr. Rolfs, but for the CDA instead of general neighborhood redevelopment. Given the high level of programmatic oversight and leadership, I recommend this position be re-created as a Real Estate Development Specialist 4 in the CDA Redevelopment operating budget.

Based on my study, I propose the creation of a new classification series of Real Estate Development Specialist 1-4 in comp group 18, ranges 6, 8, 10, 12 respectively; and the incumbents be reallocated to the new positions as indicated above. I also recommend the recreation of the CDA Redevelopment's Housing Initiatives Specialist position as a Real Estate Development Specialist 4, in comp group 18, range 12. The necessary resolution to implement these recommendations has been drafted.

Editor's Note:

Compensation Group/Range	2019 Annual Minimum (Step 1)	2019 Annual Maximum (Step 5)	2019 Annual Maximum (+12% longevity)
18/06	\$ 58,921	\$ 69,375	\$ 77,700
18/08	\$ 63,911	\$ 75,840	\$ 84,941
18/10	\$ 69,375	\$ 83,377	\$ 93,382
18/12	\$ 75,840	\$ 91,560	\$ 102,547

cc: Matt Mikolajewski – Economic Development Director
Matt Wachter – Real Estate Supervisor
Nan Fey - Interim DPCED Director
Michael Lipski – Human Resources Services Manager